

MUKILTEO CITY COUNCIL AGENDA BILL 2020-68	
SUBJECT TITLE: 2021 Preliminary Budget – Public Hearing Continued	Meeting Date: October 19, 2020
Staff Lead: Mayor Jennifer Gregerson	Exhibits: 1. PowerPoint: Department Presentations: Executive, Police, Public Works, Capital Projects, Equipment Replacement & Facility Renewal 2. Updated 2020 Project Carry Forwards – Capital Projects
Department Director:	
Estimated Time: 120 minutes	
Previous Review: Council Worksession: 9/14/20, Regular Meeting: 10/05/2020, Special Meeting 10/12/20	

RECOMMENDATION: Council **MOTION** to continue the public hearing on the 2021 Preliminary Budget to October 26, 2020.

SUMMARY:

The Mayor’s goals for the 2021 Preliminary Budget are:

- focus on core services
- identify all possible savings and communicate impacts
- seek funding options to continue preferred levels of city services where possible

Additional budget memos and information are regularly posted here:

<https://mukilteowa.gov/departments/finance/budget/2021-prelim-budget/>

The 2021 budget process timeline is below:

- June 8 Council Meeting
 - Reviewed Proposed Equipment Replacement and Facility Renewal New Budget Items (NBIs)
- July 13 Work Session
 - Reviewed proposed methodology for updating the personnel cost split for the Fire Department
- August 10 Work Session
 - Reviewed Capital Project NBIs
- September 14 Work Session
 - Reviewed Preliminary Budget Estimates
- October 5 Council Meeting
 - Council Receives Full Budget Document (October 1)
 - Open Preliminary Hearing
 - Mayor’s Budget Address

- Budget Overview, Revenues
- October 12 Council Special Meeting (6pm start)
 - Continue Preliminary Public Hearing
 - Department Presentations: Fire & EMS Funds, Finance, Planning and Community Development, Recreation
- October 19 Council Meeting
 - Continue Preliminary Public Hearing
 - Department Presentations: Executive, Police, Public Works, Capital Projects, Equipment Replacement & Facility Renewal
- October 26 Council Special Meeting (6pm start)
 - Close Preliminary Public Hearing and Open & Continue Tax Hearings
- November 2 Council Meeting
 - Open Final Budget Public Hearing
- November 9 Council Special Meeting (6pm start)
 - Continue Final Budget Hearing
- November 16 Council Meeting
 - Continue & Close Final Budget Public Hearing
 - Close Tax Hearings and Adopt Property Tax Levies
 - Adopt Final Budget



CITY OF

MUKILTEO

2021 Preliminary Budget

October 19, 2020

Department Review



Department Review

- This Week, October 19th Meeting:
 - Executive
 - Police
 - Public Works (including Streets and Facility Maintenance)
 - Capital Projects Fund
 - Surface Water
 - Equipment Replacement
 - Facility Renewal

- Last Week, October 12th Meeting:
 - Finance
 - Fire (including EMS)
 - Planning & Community Development
 - Recreation



Outline of Department Information

- Division Breakdown
- Staffing Level in Full-Time-Equivalents
- Staffing Changes from 2020 Budget
- Largest Expenditures
- Budget Highlights



Executive

- Executive, HR and Legal & Judicial Divisions
- 5 FTE: 4 in Executive, 1 in HR
- Largest non-staff budget outside of Legal is \$28,500 in HR for Other Professional Services to cover background checks, etc. for new employees
- Other Items of Note:
 - The Executive budget has decreased by 9% over the last eight budgets.
 - Various small items and supplies have been reduced to accommodate budget constraints, for a total reduction of \$900.
 - Travel and subsistence line item has returned to the same level as the 2020 Preliminary Budget request, an increase of \$2,000
 - Legal: Indigent Defense Attorney costs have risen as police officers issue additional infractions. An increase of \$10,000 is included to cover this increase from the Public Defender.



Non-Departmental

- Other Governmental Services and Transfers Out
- No Staff included
- Includes City-wide expenditures
 - Facility Maintenance Charges (Facilities Division in PW): \$720,385
 - SNO911 Dispatch Services \$522,564
 - Equipment Replacement Charges \$231,000
 - Property Insurance \$304,000
- Transfers to Other Funds
 - Technology Replacement \$103,000
 - Facility Renewal \$22,000
 - Street Fund \$306,541
- Parks Special Projects has a \$10,000 reduction, with the
- elimination of the EarthCorps Park Stewardship program ●5



Police

- Patrol, Special Ops, Administration & Support Services and Community Services Divisions (SRO, Crime Prevention, Animal Control and Rangers)
- 36 FTE: 20 Patrol, 8 Admin., 5 Spec. Ops, 3 Comm. Serv.
- Largest non-staff budget is \$150,000 for Jail Contract
- Other Items of Note:
 - The Narcotics Task Force line item has \$5,750, moved from the Drug Enforcement Fund.
 - The Domestic Violence Coordinator contract rate has increased by \$10,000. There was a slight increase in 2020, and this increase brings the contract up to a market rate.
 - National Night Out changed to a focus on neighborhood visits
 - \$10,000 added for a scenario-based training that better simulates real life events
 - Waterfront paid parking rate is budgeted to increase by \$0.25 per hour to a total of \$2.50 per hour.
- New Budget Items include replacement of 2 Patrol vehicles
- Drug Fund also managed by PD; dependent on seizures



Public Works

- Admin & Engineering, Parks/Waterfront Parking, Streets, Surface Water, Equipment Rep. & Facilities Divisions
- 29.8 FTE: 7 Eng. & Admin, 19.5 Operations, 3.3 Seasonals
 - Vacant Streets Maintenance Worker position planned to be held vacant for 6 months
- Largest non-staff/non-capital line is \$117,500 for Street Lighting
- Capital Projects and other NBI's will be presented next
- Other Items of Note:
 - Streets: \$10,000 is budgeted for 2021 in a new line for Snow and Ice removal.
 - Streets: Contract services was increased by \$22,000 to allow for completion of design for the beautification program originally authorized by Council in late 2019.



Public Works

- **Surface Water Fund: Other Items of Note:**
 - The budget includes New Budget Items for the 60th Avenue West Drainage Repairs, Stormwater Pipe Inspection and Assessment Implementation (including associated software) and Source Control Program Development
- **Waterfront Parking Fund: Other Items of Note:**
 - Several lines showing increases are due to moves from the Parks Division, for costs related to Lighthouse Park or Edgewater Beach (operating supplies, fence rental).
 - Licenses and subscriptions decreased by \$11,200 because the meter warranty is cheaper with the new vendor, Ventek.



Surface Water Rate

- 2015-2021 Surface Water Management Plan Update
- Included rate increase over 5 years

Monthly Rate	Pre-2016	2016	2017	2018	2019	2020
Per ERU	\$7.85	\$14.84	\$17.28	\$19.19	\$21.20	\$23.43

- Model assumed flat rate after 2020
- Compliance with NPDES Permit
- Ending fund balance used to fund CIP
- Fund 8 (out of 47) capital projects over 15 years
- Begin plan update in 2022



Surface Water Projects

2015 IDENTIFIED PROJECTS	Project Type	Funding Year Modeled	Notes
Smuggler's Gulch LID	CIP Unranked	2015	Completed in 2015
Lighthouse Park Tidegate	CIP Unranked	2015	Completed in 2016
61st Place Culvert Replacement	CIP Unranked	2015	Permitting delay
Naketa Beach Storm Pipe Repairs & Slope Rehabilitation	CIP Unranked	2015	Completed in 2016
Decant Facility	CIP Unranked	2017	Under Construction
Pipe Inspections	Program	2017-2025	2021 NBI for program implementation in 1/3 of City
Basin Planning	Program	2017-2025	Work began in 2020
Chennault Beach Drive Drainage Improvements	CIP #1	2020	Project start date deferred to 2022
Mukilteo Lane Drainage Improvements	CIP #2	2024	
84th St SW Drainage Improvements	CIP #3	2026	
64th Pl W Drainage Improvements	CIP #4	2026	
66th Pl W Drainage Improvements	CIP #5	2026	
Central Drive Storm Drainage Improvements	CIP #6	2029	
62nd Place W / Canyon Drive Drainage Improvements	CIP #7	2030	
10th Street and Loveland Avenue Drainage Improvements	CIP #8	2031	
Additional CIP Projects	CIP #9-47	N/A	No available funding in model until after 2031
PROJECTS PRIORITIZED AFTER 2015 SW COMP PLAN			
Pond Restoration (Clearview and Pond M)	Restore	not in model	In 2020 budget; project deferred to 2021
Control Structure Replacement (6 structures)	Restore	not in model	In 2020 budget; project deferred to 2021
61st Place Catchment Wall	CIP Emergent	not in model	Completed in 2019
Harbour Point Boulevard SW Widening	CIP	not in model	Completed in 2020
61st Place Retaining Wall	CIP	not in model	Under Construction
LID Retrofit Design	CIP WQ	not in model	100% grant funded
LID Retrofit Implementation	CIP WQ	not in model	
60th Ave W Drainage Repair	CIP Emergent	not in model	Design in 2020 with construction in 2021
Source Control Program Development	Program	not in model	2021 NBI; 2019 NPDES Permit requirement



What about my bill?

Mukilteo Water & Wastewater District

7824 MUKILTEO SPEEDWAY
MUKILTEO, WASHINGTON 98275
(425) 355-3355
www.mukilteowwd.org



Account Statement

ACCOUNT INFORMATION

ACCOUNT:
SERVICE ADDRESS:
SERVICE PERIOD: 6/1/2020 to 7/31/2020
BILLING DATE: 7/31/2020

DUE DATE: 8/15/2020

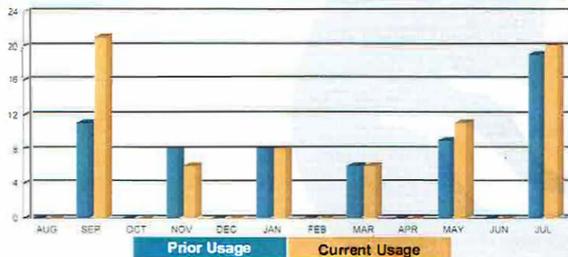
METER READING

Serial No	Previous Reading		Current Reading		Cons
	Date	Reading	Date	Reading	
#####	5/18/2020	561	7/20/2020	581	20

SPECIAL MESSAGE

CONS IS IN 1,000 GALLONS
TO MAKE A PHONE PAYMENT, CALL (425) 366-8719
WATER CONSERVATION KITS AVAILABLE AT THE
DISTRICT OFFICE. CALL TO ARRANGE PICK UP AS THE
OFFICE IS STILL CLOSED TO CUSTOMERS

USAGE HISTORY



CURRENT CHARGES

3/4" SINGLE FAMILY WATER	100.66
CITY FRANCHISE FEE - WATER	3.52
SINGLE FAMILY SEWER	128.18
CITY FRANCHISE FEE - SEWER	4.49
CITY STORM WATER	46.86
CITY STORM WATER TAX	2.81

TOTAL CURRENT CHARGES 286.52

BILL SUMMARY

Previous Balance	253.45
Payments Received	-253.45
Adjustments	0.00
Additional Billing	0.00
Current Charges	286.52
TOTAL AMOUNT DUE	286.52

- Billed every 2 months
- Most residents combined with water & sewer utility bill

- Current SW Rate \$10.82/month

to remain flat in 2021

- City Franchise Fees & Tax \$228.84
- City Storm Rate \$46.86
- City Gen. Fund \$10.82 Tax

\$228.84
MWWD
Water & Sewer

\$46.86
City SW Rate

\$10.82 Tax
City Gen. Fund



Questions



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**2021 Preliminary Budget
Capital Project Summary
& New Budget Items**



Carry Forward Projects

Project Title	Funding Source(s)	2020 Budget	2021 Carry Forward Est.
Annual Pavement Preservation	REET I, REET II, TBD	\$1,059,551	\$859,551
Annual ADA Upgrades	REET II	\$125,138	\$125,138
Annual Bike Transit Walk	REET II	\$360,155	\$312,769
SR525 Sidewalks (between 2nd St & 3rd St)	TIB Grant, REET II/BTW	\$156,000	\$136,000
Harbour Reach Corridor Project	CWA Grant, TIB Grant, TIF	\$16,163,444	\$7,000,000
Annual Sidewalk Repair Program	REET II	\$145,000	\$143,314
76th Street SW & SR525 Pedestrian Improvements	SWTS Grant, REET II/BTW	\$165,000	\$35,000
Annual Traffic Calming Program	REET II	\$62,603	\$50,543
Pedestrian Crosswalk Enhancement Program	REET II	\$66,873	\$66,873
5th Street Pedestrian & Bicycle Project (Design only)	ST Grant	\$764,000	\$764,000
Waterfront Promenade	RCO Grant	\$500,000*	\$500,000
Japanese Gulch Daylighting	Commerce Grant	\$400,000*	\$320,000

*Grants accepted by Council, to be included in a 2020 budget amendment



Carry Forward Projects

Project Title	Funding Source(s)	2020 Budget	2021 Carry Forward Est.
61st Place Culvert	Surface Water	\$277,282	\$272,282
61st Place Retaining Wall Repairs	FEMA Grant, Surface Water	\$1,044,450	\$500,000
Stormwater Pipe Assessment & Management Plan	Surface Water	\$75,000	\$40,000
Mukilteo LID Retrofit (Design Only)	Ecology Grant	\$137,580	\$50,000
2020 Surface Water Maintenance Projects	Surface Water	\$248,000	\$248,000
Decant Facility	Ecology Grant, Surface Water	\$2,179,829	\$2,142,000
NPDES Stormwater Management Action Planning	Surface Water	\$100,000	\$60,000
60th Ave West Drainage Repairs	Surface Water	\$66,000**	\$40,000
Light Station Roof Replacement	LTAC Grant, FAC Renewal	\$30,000	\$3,000
Rosehill Solar	Commerce Grant	\$38,800*	\$38,800

*Grants accepted by Council, to be included in a 2020 budget amendment

**Scheduled for Council approval on 10/26/20, to be included in a 2020 budget amendment



2021 Capital Project New Budget Items (NBIs)



Project Review Process:

- Reviewed by the City Council on August 10, 2020



2021 Capital Project New Budget Items

Priority	Page	Project	Grant Revenue	CITY FUND			TOTAL
				TBD	REET II	Surface Water	
ANNUAL TRANSPORTATION PROGRAMS							
T-2	112	Annual Pavement Preservation Program	\$700,000	\$317,650	\$445,000		\$1,462,650
T-3	113	Annual ADA Upgrades Program			\$25,000		\$25,000
T-5	114	Annual Bike Transit Walk (By the Way) Program			\$120,000		\$120,000
T-6	115	Annual Traffic Calming Program			\$25,000		\$25,000
T-7	116	Annual Pedestrian Crosswalk Enhancement Program			\$35,000		\$35,000
T-4	117	Annual Sidewalk Repair Program			\$25,000		\$25,000
OTHER NEW TRANSPORTATION PROJECTS							
T-1	118	76th Street SW & SR 525 Pedestrian Improvements	\$1,180,725		\$184,275		\$1,365,000
SURFACE WATER PROJECTS/PROGRAMS							
S-1	133	Source Control Program Development				\$85,000	\$85,000
S-1	134	Stormwater Pipe Inspection & Assessment Implementation	\$368,640			\$232,880	\$601,520
S-1	135	60th Avenue West Drainage Repairs				\$360,000	\$360,000
TOTALS:			\$2,249,365	\$317,650	\$859,275	\$677,880	\$4,104,170



2021 Capital Project Priorities

- ✓ Deliver Existing Grants & Projects Underway
- ✓ Maintain Existing Infrastructure
- ✓ Support Plans to Improve Safety, Mobility and Accessibility
- ✓ Compliance with Federal and State Requirements
- ✓ Implement Surface Water Management Plan

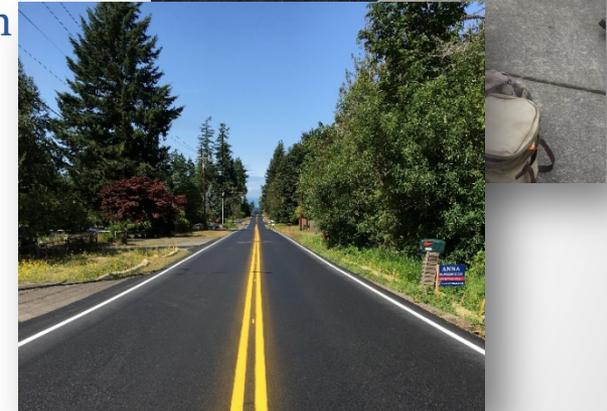


Annual Programs



Annual Pavement Preservation Program

- Annual Program sets aside funding to preserve and maintain City streets
- Funding from REET II, Transportation Benefit District, & Federal Grant
- 2021 Program Focus:
 - \$700,000 grant to resurface Harbour Reach Drive/Chennault Beach Road Pavement Preservation Project (\$420,000 City match requirement)
 - Team with MWWD to expand overlay limits on their water system project



Project Expenditures

REET II	\$445,000
0.1% Sales Tax (TBD)	\$317,650
Federal STP Grant	\$700,000
Total	\$1,462,650

Priorities:

- ✓ Deliver Existing Grants & Projects Underway
- ✓ Maintain Existing Infrastructure
- ✓ Support Plans to Improve Safety, Mobility and Accessibility



ADA Upgrades & Bike Transit Walk Programs

ADA Upgrades:

- Sets aside funding to complete Transition Plan and upgrade non-compliant public right-of-way infrastructure to be in compliance with the ADA
- Improves accessibility for people of all abilities



Bike Transit Walk (By the Way):

- Sets aside funding to implement BTW Plan
- Expands bike path and sidewalk network
- Serves as matching funds for grants
- Annual challenge of finding sustainable funding



REET II Expenditures

Annual ADA Upgrade Program	\$25,000
Annual BTW Program	\$120,000

Priorities:

- ✓ Maintain Existing Infrastructure
- ✓ Support Plans to Improve Safety, Mobility and Accessibility
- ✓ Compliance with Federal and State Requirements



Traffic Calming & Crosswalk Enhancement Programs

Traffic Calming:

- Sets aside funding for Traffic Calming Program
- Addresses neighborhood traffic issues related to speeding and cut-through traffic



Pedestrian Crosswalk Enhancement:

- Sets aside funding to improve pedestrian safety at crosswalks
- 2021 focus to develop prioritization process



REET II Expenditures

Traffic Calming Program	\$25,000
Pedestrian Crosswalk Enhancement	\$35,000

Priorities:

- ✓ Support Plans to Improve Safety, Mobility and Accessibility



Annual Sidewalk Repair Program

- Annual Program sets aside funding to preserve and maintain City sidewalks and paths
- Repairs safety issues created by roots, cracking, settlement, etc.
- Work performed in-house and/or contracted out



Project Expenditures

REET II	\$25,000
Total	\$25,000

Priorities:

- ✓ Maintain Existing Infrastructure
- ✓ Support Plans to Improve Safety, Mobility and Accessibility



Other Transportation Projects



76th St. SW & SR 525

Pedestrian Improvements

- Partially funded by Safe Routes to School grant
- City Match 13.5%
- Design began in 2020
- Construction in 2021
- Build sidewalk connections from 44th Ave W to SR 525
- Upgrade crosswalk on SR525 to HAWK Signal



Project Expenditures	
REET II – BTW	\$184,275
Safe Routes to School Grant	\$1,180,725
Total	\$1,365,000

Priorities:

- ✓ Deliver Existing Grants & Projects Underway
- ✓ Support Plans to Improve Safety, Mobility and Accessibility



Stormwater Capital Projects



Source Control Program Development

- New requirement of 2019 NPDES Permit
- “Source Control Program for Existing Development”
- Permit deadlines:
 - 8/1/2022 for business inventory & ordinance adoption
 - 1/1/2023 for full program implementation
- Program will be developed in 2021
- Future needs will be identified



Surface Water Expenditures

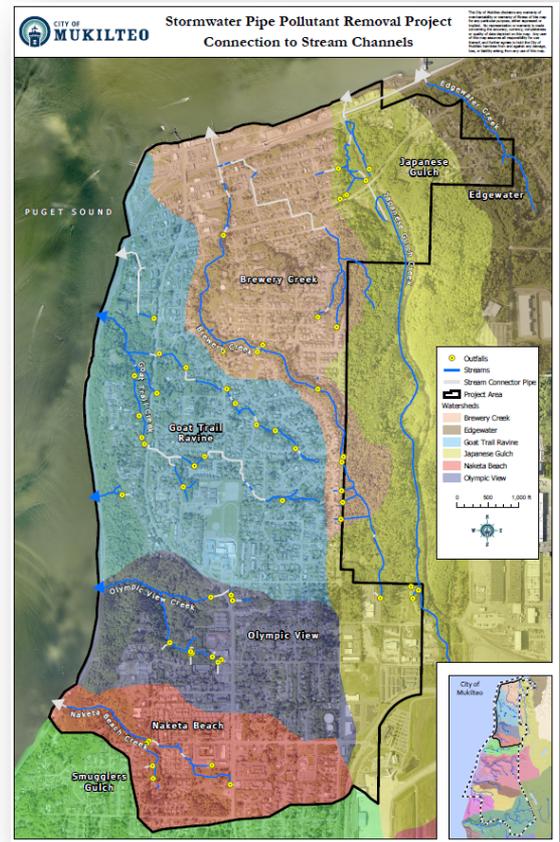
Source Control Program Dev.	\$85,000
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Priorities:
✓ Compliance with Federal and State Requirements



Stormwater Pipe Inspection & Assessment Implementation

- Identified in Comprehensive Surface Water Management Plan
- Continuation of project started in 2020
- Awarded Ecology grant in 2020
- Clean and inspect 1/3 of storm pipes over next 3 years
- Includes \$20,000 software purchase to implement the program



Project Expenditures	
Surface Water	\$232,880
Dept. of Ecology Grant	\$368,640
Total	\$601,520

- Priorities:
- ✓ Deliver Existing Grants & Projects Underway
 - ✓ Maintain Existing Infrastructure
 - ✓ Implement Surface Water Management Plan



60th Avenue West Drainage Repairs

- Pipe failure occurred in 2020
- Design underway
- Repairs to be constructed in early 2021
- Budget includes \$40,000 of carry forward to complete design, pending Council approval of the design contract on 10/26/20, and a 2020 Budget Amendment on 12/7/20



Surface Water Expenditures

60th Ave W Drainage Repairs	\$360,000
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Priorities:

- ✓ Deliver Existing Grants & Projects Underway
- ✓ Maintain Existing Infrastructure



2021 Facility Renewal New Budget Items (NBIs)



Item Review Process:

- Reviewed by the City Council on June 8, 2020



2021 Facility Renewal New Budget Items

Page	Facility	Project	TOTAL
154	Fire Station 24	HVAC Replacement	\$70,000
154	Light Station	Interior Paint (Lodging Tax Grant Funded)	\$15,000
154	Various	Unanticipated Capital Repairs	\$15,000
Total Facility Renewal			\$100,000



Light Station Interior Paint



Fire Station 24 HVAC



2021 Equip. & SW Vehicle Replacement New Budget Items (NBIs)



Item Review Process:

- Reviewed by the City Council on June 8, 2020



2021 Equip. & SW Vehicle Replacement NBIs

Page	Department	Vehicle	TOTAL
145	Police	Police Patrol Vehicle Car 54	\$73,000
146	Police	Police Patrol Vehicle Car 55	\$73,000
147	Police	Police Special Operations Vehicle	\$70,000
148	Public Works	Electric Gator	\$15,000
Total Equipment Replacement			\$231,000



Existing Diesel Gator



Ex. Special Ops Vehicle



Patrol Vehicle 54



Existing 10 Yard Dump Truck



Patrol Vehicle 55

Page	Department	Vehicle	TOTAL
132	Public Works	10 Yard Dump Truck*	\$310,000*
Total Surface Water Vehicle Replacement			\$310,000

**Total cost reduced from preliminary budget due to elimination of trailer purchase.*



Questions



2020 PROJECT CARRY FORWARDS - Revised 10/13/2020

		2020 Budgeted Amount*	2020 Estimated Actuals	2021 Carry Forward**
Capital Projects Carried Forward Description				
Transportation Impact Fee	Harbour Reach Corridor Project	16,163,444	9,163,444	7,000,000
Total Transportation Impact Fee		16,163,444	9,163,444	7,000,000
Transportation Benefit District	Pavement Preservation	611,826	200,000	411,826
Total Transportation Benefit District		611,826	200,000	411,826
REET I	Pavement Preservation	25,000	-	25,000
REET II	Pavement Preservation	422,725	-	422,725
REET II	ADA Upgrades	125,138	-	125,138
REET II	Bike Transit Walk	360,155	47,386	312,769
REET II	SR 525 Sidewalks	156,000	20,000	136,000
REET II	Annual Sidewalk Repair	145,000	1,686	143,314
REET II	SRTS 76th & SR 525	165,000	130,000	35,000
REET II	Traffic Calming Program	62,603	12,060	50,543
REET II	Pedestrian Crosswalk Enhancement Program	66,873	-	66,873
REET II	5th Street Pedestrian & Bicycle Project	764,000	-	764,000
Total REET		2,292,494	211,132	2,081,362
Capital Projects	Waterfront Promenade	500,000^	-	500,000
Capital Projects	Japanese Gulch Daylighting	400,000^	80,000	320,000
Total Capital Projects		900,000	80,000	820,000
Surface Water Management	61st Place Culvert	277,282	5,000	272,282
Surface Water Management	61st Place Retaining Wall Repairs	1,044,450	544,450	500,000
Surface Water Management	Stormwater Pipe Inspections and Risk Assessment	75,000	35,000	40,000
Surface Water Management	LID Retrofit	137,580	87,580	50,000
Surface Water Management	Pond M, Clearview and 6 control structures	248,000	-	248,000
Surface Water Management	Decant Facility	2,179,829	37,829	2,142,000
Surface Water Management	NPDES Stormwater Management Action Planning	100,000	40,000	60,000
Surface Water Management	60th Ave West Drainage Repairs	66,000^^	26,000	40,000
Total Surface Water Management		4,128,141	775,859	3,352,282
Facility Renewal	Light Station Roof Replacement	30,000	27,000	3,000
Facility Renewal	Rosehill Solar	38,800^	-	38,800
Total Facility Renewal		68,800	27,000	41,800
Total Capital Projects Carried Forward		\$ 24,164,705	\$ 10,457,435	\$ 13,707,270

*2020 Budgeted Amount reflects adopted 2020 budget amount OR the amount the budget should have been if the actual carry-forward from 2019 was different than the budgeted estimate

**2021 Carry Forward Amount reflects estimated actuals for 2020; actual carry forward amounts may vary if 2020 actuals differ from estimates

^Grants accepted by Council, to be included in a 2020 budget amendment

^^Scheduled for Council approval on 10/26/20, to be included in a 2020 budget amendment